

Chapter 2

STATE RAIL SYSTEM

Railroad Companies

Idaho is served by two Class I Railroads,¹ the Burlington Northern and the Union Pacific. In addition, service is provided by six regional or local railroads: Montana Rail Link, the Camas Prairie Railroad, the St. Maries River Railroad, the Eastern Idaho Railroad, the Blue Mountain Railroad, and the Idaho Northern and Pacific Railroad. Together they comprise a 1,940-mile state rail system (see Table 2-1). The state's railroads are illustrated on Figure 2-1.

Burlington Northern (BN)

In 1994, BN operated 368 miles of a 22,189-mile system in Idaho, including 174 on the Camas Prairie Railroad. Idaho is one of the 25 states (and two Canadian Provinces) served by the carrier. The BN operates a vast national system from the Pacific Northwest to the Midwest and Gulf Coast. The BN's main line from Chicago to Spokane passes through the northern Idaho Panhandle via Sandpoint. The railroad's local service territory is limited to the northern portion of the State. Lumber or wood and farm products comprise its principal Idaho commodities.

Union Pacific (UP)

The state's largest railroad operated 1,096 miles within Idaho in 1994 (plus trackage rights over the Camas prairie) and owns another 25 miles which were not operated in 1994. The total system operates 17,499 route miles in 19 states. Similar to the BN, the UP operates a vast national system from the Pacific Northwest and California to the Midwest and Gulf Coast. The UP's main line between the Pacific Northwest and the Midwest generally follows the Snake River in Southern Idaho, where there is also a network of feeder lines. Another main line runs from Silver Bow, MT to Ogden, UT via Pocatello. Although the state's UP mileage is concentrated in southern Idaho, some branch lines are operated in the northern portion of the state, as well as UP's line from Spokane to Eastport, Idaho, that provides a connection with the Canadian Pacific Railroad.

¹ Carriers having revenues in excess of \$250 million annually.

Table 2-1

**RAIL MILEAGE IN IDAHO
1995**

Union Pacific Railroad	1,096
Burlington Northern Railroad	194
Montana Rail Link	34
Camas Prairie Railroad	174
St. Maries River Railroad	71
Eastern Idaho Railroad	267
Idaho Northern and Pacific Railroad	102
Blue Mountain Railroad	2
Total Mileage:	1,940

Source: Idaho Transportation Department

Montana Rail Link (MRL)

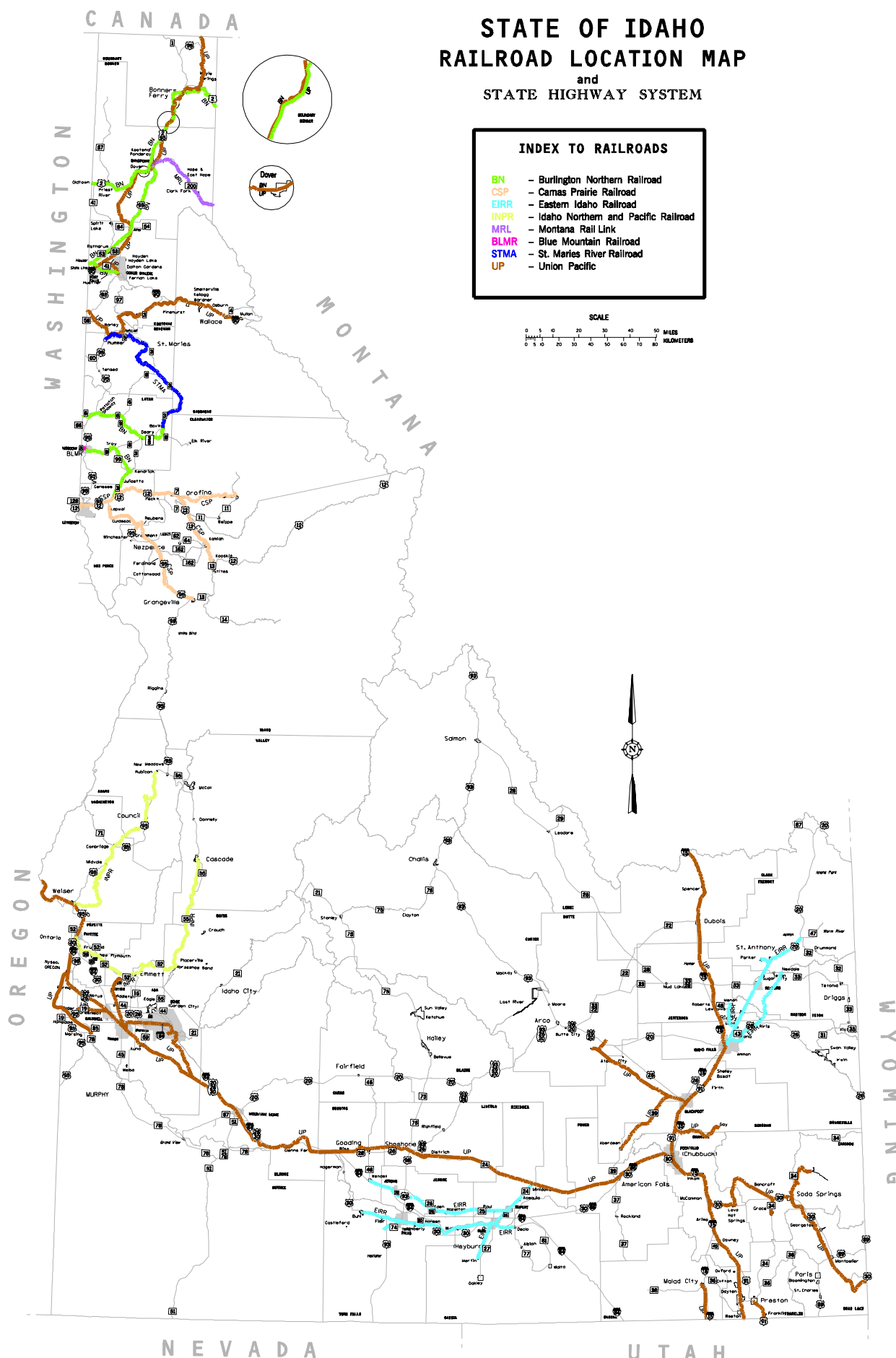
This railroad was created as a BN spin-off of 943 miles of track. It operates in three states, Montana, Idaho and Washington, reaching the latter over trackage rights over the BN from Sandpoint, Idaho to Spokane. The carrier operates over 84 miles of track in Idaho including the trackage rights.

Camas Prairie (CSP)

The Camas Prairie is jointly owned and operated by BN and UP. Most of the railroad trackage in Idaho, however, is owned by BN having been built by its predecessor Northern Pacific. Of CSP's total 244 miles, 174 miles are located in Idaho. The railroad is located in northern Idaho and its operations are centered around Lewiston. Principal traffic consists of logs, lumber, and wood products and grain.

St. Maries River Railroad (STMA)

Formed from trackage abandoned by the Milwaukee Road in 1980 as a result of its bankruptcy, the carrier's entire 71 miles are located in Idaho (Plummer to St. Maries to Bovill). This common carrier railroad is owned by the Potlatch Corporation. Principal traffic consists of logs, lumber and wood products.



STATE OF IDAHO RAILROAD LOCATION MAP and STATE HIGHWAY SYSTEM



INDEX TO RAILROADS

- BN - Burlington Northern Railroad
- CSP - Camas Prairie Railroad
- EIRR - Eastern Idaho Railroad
- INPR - Idaho Northern and Pacific Railroad
- MRL - Montana Rail Link
- BLMR - Blue Mountain Railroad
- STMA - St. Maries River Railroad
- UP - Union Pacific

SCALE

0 5 10 20 30 40 50 MILES
0 5 10 20 30 40 50 KILOMETERS

Figure 2-1

Eastern Idaho Railroad (EIRR)

The Eastern Idaho Railroad was formed from two clusters comprised of several Union Pacific branch lines that the carrier spun off in south central and eastern Idaho in 1993. The lines total 267 miles in length. One group of lines serves the area north of Idaho Falls including the communities of Newdale, Menan, St. Anthony and Ashton, while the other group serves the Twin Falls area, including the communities of Burley, Rupert, Buhl, Wendell and Twin Falls. Farm products, principally grain, beans and potatoes, are the major commodities transported by the railroad, combined with fertilizers, aggregates and lumber. The railroad is affiliated with WATCO, Inc. of Pittsburg, Kansas.

Idaho Northern and Pacific Railroad (INPR)

This short line operation was also formed from branch lines spun off by the UP in southwestern Idaho and northeastern Oregon. The Idaho lines total 102 miles in length. The Idaho lines consist of lines from Emmett to Horseshoe Bend to Cascade, and Emmett to Payette. Another line from Weiser to Council to Rubicon was approved for abandonment in late 1995 following the closure of the Boise Cascade mill at Council. The operating company is owned by the Rio Grande Pacific Corporation of Fort Worth, Texas. Primary traffic consists of logs, lumber and wood products.

Blue Mountain Railroad (BLMR)

The Blue Mountain Railroad is comprised of two separate segments, both of which are UP spinoffs. One serves southwest Washington State with a line which crosses the Oregon border, and the other the Palouse Region of Eastern Washington with a line segment which crosses into Idaho at Moscow. The railroad in Idaho is two miles long and serves many of the same rail users as the BN in Moscow. The railroad is also affiliated with WATCO, Inc. like the EIRR.

Railroad Mergers

BN/SF

During 1995, the \$4.7 billion merger of the Burlington Northern Railroad Company (BN) and the Atchison, Topeka and Santa Fe Railway Company (SF) was approved by the Interstate Commerce Commission. The new railroad, the Burlington Northern Santa Fe (BNSF), now has a single line system with approximately 31,000 route miles, and expected revenues exceeding \$8 billion per year.

Because the BNSF only serves Northern Idaho, the impacts of the merger on Idaho will probably not be overly significant. Northern Idaho shippers will see some benefits by single-line service to California, Arizona, and the Gulf of Mexico ports. However, the percentage of BN traffic (primarily forest products) originating in Northern Idaho (prior to the merger) that terminated on the SF was quite small compared to terminations on other railroads.

UP/CNW

In February of 1995, the Interstate Commerce Commission authorized the acquisition of control of the Chicago Northwestern Railway (CNW) by the Union Pacific (UP). The UP exercised its right to control the CNW later that year. The primary advantage to Idaho shippers are a shorter route and single line service to Chicago and interchange with major eastern rail carriers. However, service levels on the combined railroads actually declined for some commodities during the start up period, but these problems are being addressed by the UP.

UP/SP

The Union Pacific and Southern Pacific Railroads (UP/SP) submitted a merger application to the Interstate Commerce Commission, now Surface Transportation Board, on November 30, 1995. The proposed UP/SP railroad would become North America's largest railroad with 34,000 miles of track in 25 states and combined revenues of \$9.5 billion. The UP/SP merger will create a more efficient, stronger railroad that would appear to offer rail shippers a competitive alternative to the recently combined Burlington Northern/Santa Fe Railroad (BN/SF) that neither UP nor SP could offer on its own. The new UP/SP system will offer faster transit times, more reliable service, shorter routes, improved equipment supply, new market opportunities and increase competition to many shippers.

Because the UP/SP merger would result in only two major railroads west of the Mississippi, many western rail shippers expressed concerns about loss of rail competition. In an effort to allay those concerns and ward off opposition from shippers and BN/SF, the UP/SP and BN/SF entered into an unprecedented trackage rights and line sale agreement on September 26, 1995, which will allow BN/SF to serve only those shippers who currently have access to UP and SP and would lose two railroad competition. Because the SP does not serve Idaho, there are no such "2-to-1" situations in the state.

Clearly, this merger offers some opportunities for Idaho shippers, particularly faster and shorter single-line service to numerous points including Oregon, California, Arizona, Colorado, Texas, Louisiana, the Midwest and Mexico. A number of Idaho shippers, the Governor, and other

elected officials have filed statements in support of the merger. But there has been concern expressed by some Idaho shippers and associations that those Idaho shippers currently captive to only one railroad should have similar consideration on the BN/SF UP/SP agreement as those in the potential "2-to-1" situation, and have two railroads serving Southern Idaho.

A final written decision is expected by August 1996, if the Surface Transportation Board follows the same expedited schedule used in processing the BN/SF application. States, shippers, railroads, and others will have the opportunity to comment and request conditions during the proceedings.

Passenger Service

Both north and south Idaho are served by passenger trains operated by Amtrak. The routes are the subject of Figure 2-2. An excerpt from Amtrak's National Timetable is shown on Page 2-6.

Amtrak Routes

Service in Northern Idaho is provided over BN's main line track through Bonners Ferry, Sandpoint and Rathdrum. Amtrak trains 7 and 8, the west and eastbound Empire Builder, are scheduled in Sandpoint at 12:18 a.m. and 2:52 a.m., respectively. The train formerly operated on a daily basis but became a subject of Amtrak cutbacks in February 1995 to four days per week west of St. Paul, Minnesota. Sandpoint is the only stop in Idaho for the Empire Builder which runs between Chicago and Portland/Seattle. Service is also available at Spokane, Washington for northern Idaho passengers.

Southern Idaho is also served by a Chicago to Portland/Seattle train, the Pioneer (Amtrak trains 25 and 26). The Pioneer's route in Idaho takes it from Ogden through Pocatello, Shoshone, Boise, Nampa and Weiser. Idaho stops are scheduled at Pocatello, Shoshone, Boise and Nampa. Service is also available at Ontario, Oregon for southern Idaho passengers. The westbound train is scheduled to pass through Idaho in the early morning and the eastbound in late evening. Its schedule was reduced several years ago from daily to three days per week. The three days are coordinated with the days the Empire Builder does not run to provide the equivalent of daily service between Chicago and the Pacific Northwest.

STATE OF IDAHO RAILROAD LOCATION MAP

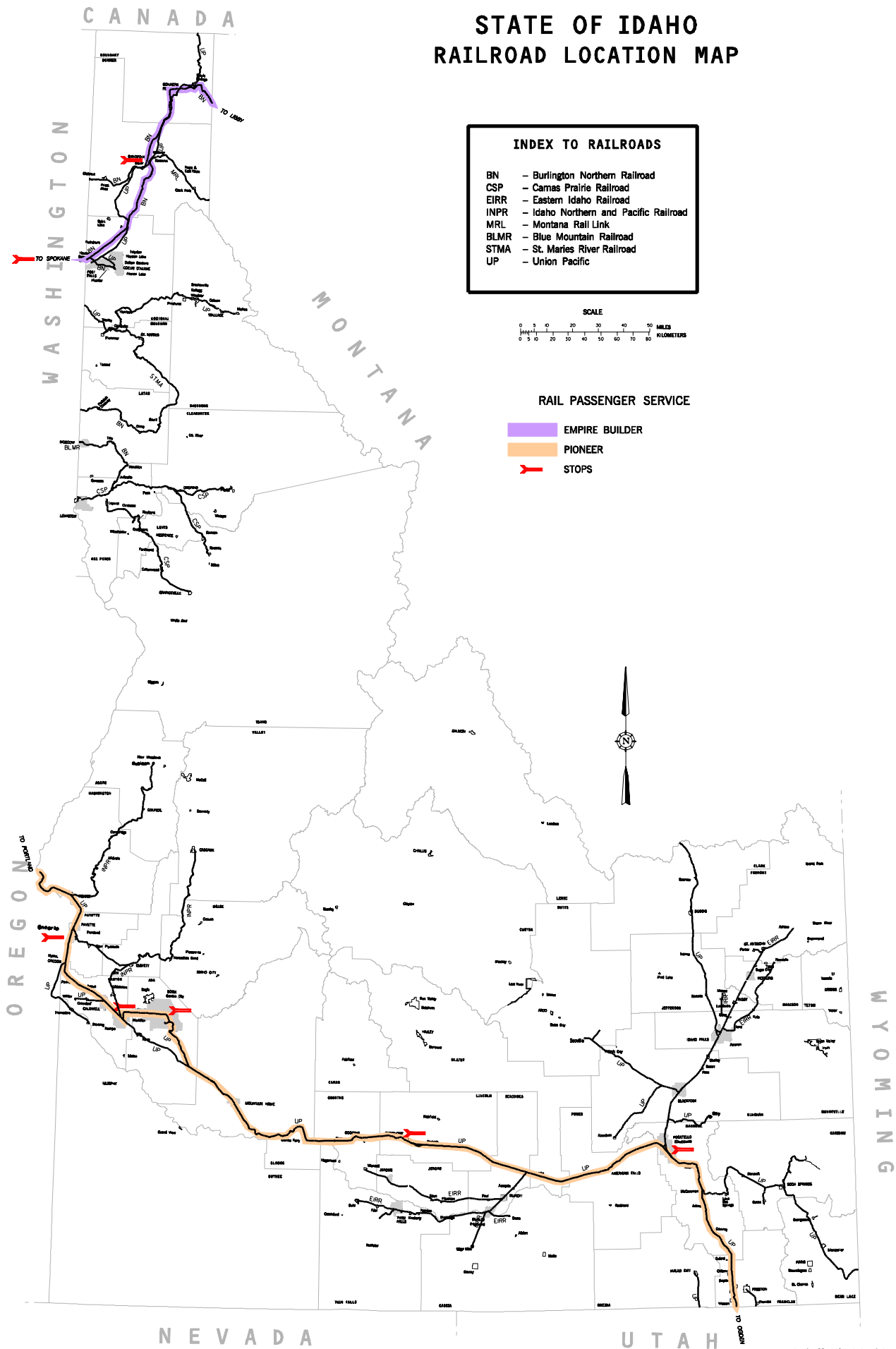


Figure 2-2

Ridership

The number of passengers boarding and alighting Amtrak trains in Idaho is the subject of Table 2-2. After exhibiting an increase from 1987 to 1988, Idaho ridership has displayed a constantly decreasing trend from a high of 44,548 in 1988 to a low of 17,327 in 1995. The most significant decline occurred between 1993 and 1995. The only Idaho stop on the route of the Empire Builder, Sandpoint, has been more consistent than the remainder of the state, but even it suffered a significant loss of patronage between 1993 and 1995.

The most utilized station in Idaho is Boise, which has accounted for almost 40 percent of the state's ridership over the nine years of record. It is followed by Pocatello with 27 percent, Sandpoint with 15 percent and Nampa with 12 percent. However, the ridership in Boise and Nampa has recently decreased more than other locations in Idaho.

Service Concerns

In October, 1995, Amtrak officials advised that rail passenger service on the Pioneer, serving Southern Idaho is being considered for elimination. The reason is that Amtrak is facing budget cuts from Congress, and Amtrak officials are examining their less productive routes. Ridership on the Pioneer in Idaho has fallen about 50 percent in the last few years, from 35,000 in 1990 and 1991 to 17,500 in 1994.

Decreased ridership in Idaho could be attributed to four factors:

- 1) Service was reduced from daily to tri-weekly several years ago;
- 2) The west bound train was also rescheduled several years ago resulting in a 4:00 a.m. departure from Boise;
- 3) Cheap airline fares (e.g. Southwest Airlines) to/from larger cities on the route (ridership down much more in Boise/Nampa than other stations).
- 4) There is no public transportation available at Amtrak stations (this includes Sandpoint as well), since the Idaho stops are at night.

Department staff has been working directly with Amtrak and other states in developing strategies for retaining service in Southern Idaho and helping Amtrak reduce costs and increase ridership. These include train rescheduling, rerouting, route shortening, and other actions.

**Table 2-2
IDAHO
AMTRAK RIDERSHIP
1987 - 1995**

STATION	1987	1988	1989	1990	1991	1992	1993	1994	1995	TOTAL
Boise	14,405	17,900	19,273	18,314	16,913	14,680	13,059	7,226	5,481	127,251
Nampa	6,246	6,631	6,342	4,846	4,877	3,828	3,231	1,611	1,201	38,813
Pocatello	10,993	11,492	10,684	9,413	10,693	10,489	10,605	7,073	5,272	86,714
Sandpoint	5,200	5,626	5,196	5,030	5,761	6,015	5,911	4,909	4,123	47,771
Shoshone	2,471	2,899	2,829	2,707	2,955	2,914	2,538	1,664	1,250	22,227
TOTAL	39,315	44,548	44,324	40,310	41,199	37,926	35,344	22,483	17,327	322,776

Source: National Railroad Passenger Corporation

In November 1995 Amtrak staff developed a marketing plan intended to increase ridership and reduce costs on the Pioneer. This marketing plan was approved by the Amtrak Board of Directors on December 5, 1995. This plan is effective through Federal Fiscal Year 1996, after which the future of the train will be reassessed. There will be increased ad campaigns and in-station events in the cities along the route, plus sponsorship/participation in local events along the route. Some of the ads will be keyed to site-specific attractions (e.g. skiing).

Because of significant reductions in Amtrak's budget in the DOT Appropriations Bill, Amtrak is seeking financial, technical and partnering assistance from the states and communities to make the marketing plan a success and hopefully save the train.

Freight Traffic

The description of rail freight in Idaho is organized under the following headings:

- Commodities transported;
- Traffic patterns;
- Through traffic; and,
- Traffic Density

Commodities Transported

As shown in Table 2-3, almost 19 million tons of freight traffic were originated or terminated by Idaho's two Class 1 railroads in 1994. Just over 60 percent of the total tonnage was originated in the state, led by farm products (3.8 million tons), nonmetallic minerals (3.0 million tons), lumber or wood products (2.1 million tons), food products (1.6 million tons), and chemicals or allied products (1.1 million tons). These five major commodities comprised 96 percent of all originating commodities.

Major terminating commodities were three of the same ones mentioned above, nonmetallic minerals (3.3 million tons), farm products (1.3 million tons) and chemicals or allied products (0.85 million tons) comprising 76 percent of total terminating tons.

Traffic Patterns

The movement patterns of Idaho rail commodities, the tonnages involved and the origin and destination states are the subject of the following paragraphs. The data used in these discussions are derived from a different source (the 1993 ICC Waybill Sample) than the

Table 2-3

**IDAHO RAIL TRAFFIC
1994 SUMMARY**

COMMODITY		TONNAGE		
STCC	Description	Originating	Terminating	Total
1	Farm Products	3,768,335	1,285,578	5,050,913
10	Metallic Ores		344,067	344,067
14	Nonmetallic Ores; Except Fuels	2,951,501	327,891	6,223,392
20	Food or Kindred Products	1,631,004	333,635	1,964,639
24	Lumber or Wood Products	2,143,312	259,781	2,403,093
25	Furniture or Fixtures		1,058	1,058
26	Pulp, Paper, or Allied Products	99,431	188,716	288,147
28	Chemicals or Allied Products	1,094,083	849,673	1,943,756
29	Petroleum or Coal Products	2,708	496,371	499,079
30	Rubber or Miscellaneous Plastics Products		1,367	1,367
32	Clay, Concrete, Glass or Stone Products	203,434	17,071	220,505
33	Primary Metal Products	37,210	35,513	74,723
34	Fabricated Metal Products	769	1,116	1,885
35	Machinery; except Electrical	1,075	5,177	6,252
36	Electrical Machinery or Equipment	67	1,051	1,118
37	Transportation Equipment	6,680	10,295	16,975
40	Waste or Scrap Materials Not Identified by Producing Industry	95,775	30,287	126,062
42	Containers, Carrier or Devices, Shipping, Returned Empty	464	6,824	7,288
46	Miscellaneous Mixed Shipments	25,595	14,150	39,745
TOTALS		12,061,443	7,155,621	18,872,996

contents of Table 2-3 (the BN and UP railroads) and are also for a different year, and thus the absolute values are slightly different. Figure 2-3 reveals that overall Idaho was the largest destination for rail traffic that originated in the state. This traffic which both originates and terminates within the state is called intrastate traffic. The next biggest destination is Washington State, followed by Oregon, Montana, Illinois and Texas. Traffic that terminated in Idaho mostly originated in Idaho (the same intrastate traffic mentioned above), with Wyoming origins a distant second, followed by Nebraska, Montana and Washington State, as revealed in Figure 2-4.

It is apparent that the movement of Idaho commodities by rail reflects the resource-based economy of the state. As evidenced from Table 2-3, Idaho rail traffic is dominated by five major commodities.

Nonmetallic Minerals - This commodity group generates the largest volume of rail transportation in the state in that the vast majority of it both originates and terminates in the state as evident from inspection of Figure 2-5. Just over 98 percent of the originating traffic is phosphate rock, clay or sand. Virtually the same holds true for rail traffic terminating in the state although there is a significant amount of sulphur (15 percent of the total). Montana is the only state to which any significant volume is shipped from Idaho, and Wyoming is the only state that forwards any significant volume to Idaho. Rail transportation of nonmetallic minerals in Idaho is dominated by the state's agricultural chemical industry.

Farm Products - The shipment and receipt of farm products is more diverse geographically than nonmetallic minerals (see Figure 2-6). Outbound farm products, which are almost three times the volume of inbound products, are comprised principally of barley, wheat and potatoes with the largest commodity being wheat (41 percent). Sugar beets made up 14 percent of originating traffic in 1993, but the rail transportation of sugar beets has diminished in Idaho since then. Farm products shipped into Idaho are comprised of corn, barley and cotton seeds. Again in 1993, sugar beets were a large terminating commodity (37 percent) but have diminished as mentioned above. In addition to the large amount of intrastate traffic, significant shipments are made to the neighboring states of Washington and Oregon, presumably for export.

Lumber or Wood Products - Eighty-five percent of the rail traffic associated with originating tonnage for this commodity group is comprised of sawlogs, pulpwood chips, and lumber, roughly one half of it the latter. As shown on Figure 2-7, the major destination is Washington

State which receives about 25 percent of the shipments. Only insignificant volumes are received from outside of the state as terminating traffic is principally intrastate.

Food or Kindred Products - Rail transportation of this commodity group is dominated by outbound shipments and in 1993, there were no intrastate movements picked up in the Waybill Sample. Destinations for Idaho food products, frozen vegetables, sugar and malt comprise over 80 percent of shipments, are widespread as are origins of food products being shipped into the state (see Figure 2-8). Inbound products consist of a wide variety with soybean meal, beer and ale, prepared feeds and malt extracts comprising the largest tonnages (42 percent of the total).

Chemicals or Allied Products - Another commodity group with wide spread origins and destinations as evidenced in Figure 2-9, is chemicals and allied products. Traffic originating in Idaho is dominated by superphosphate and miscellaneous fertilizer compounds (almost 80 percent) with principal destinations in Oregon and California. Inbound chemicals are more diverse but 30 percent of totals are accounted for by ammonia and sulfuric acid and more than likely used in fertilizer production. Major origins lie in Washington State and Utah.

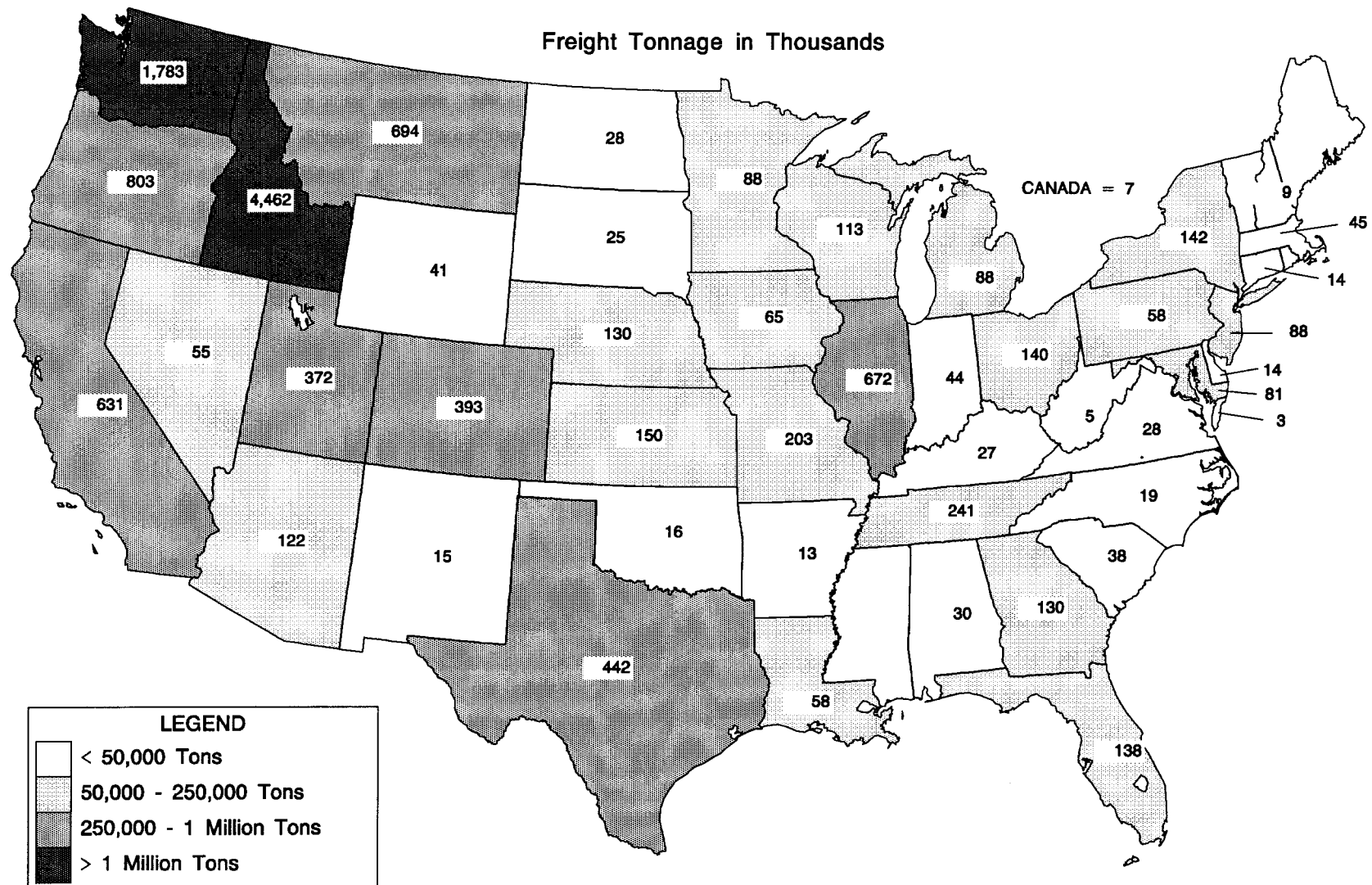
Through Traffic

In addition to the traffic discussed above, there is a large quantity of rail traffic which uses the state's rail system with neither origins nor destinations in Idaho. This through or overhead traffic comprised over 55 million tons in 1993 based on the ICC Waybill Sample. The dominant commodity was farm products, accounting for 18 million tons principally with west coast (Washington, Oregon and California) destinations, followed by miscellaneous mixed shipments with just over 8 million tons. The latter commodity group comprises the largest share of the rail intermodal traffic (trailers/containers) with 545,000 units of a total of 853,000, the difference falling into other commodity classifications.

The large amount of through traffic in Idaho is not surprising given the BN, MRL and UP main lines which pass through the state and the location of the state vis-a-vis the location of the major ports of the Pacific Northwest. All of these main lines are classified as principal lines in the FRA rail network.²

² The FRA has defined a core railroad system of approximately 80,000 miles known as the Principal Railroad Lines. These lines have one or more of the following attributes: Amtrak route; essential for defense (STRACNET and connections); or, transport in excess of 20 million gross ton-miles per mile annually.

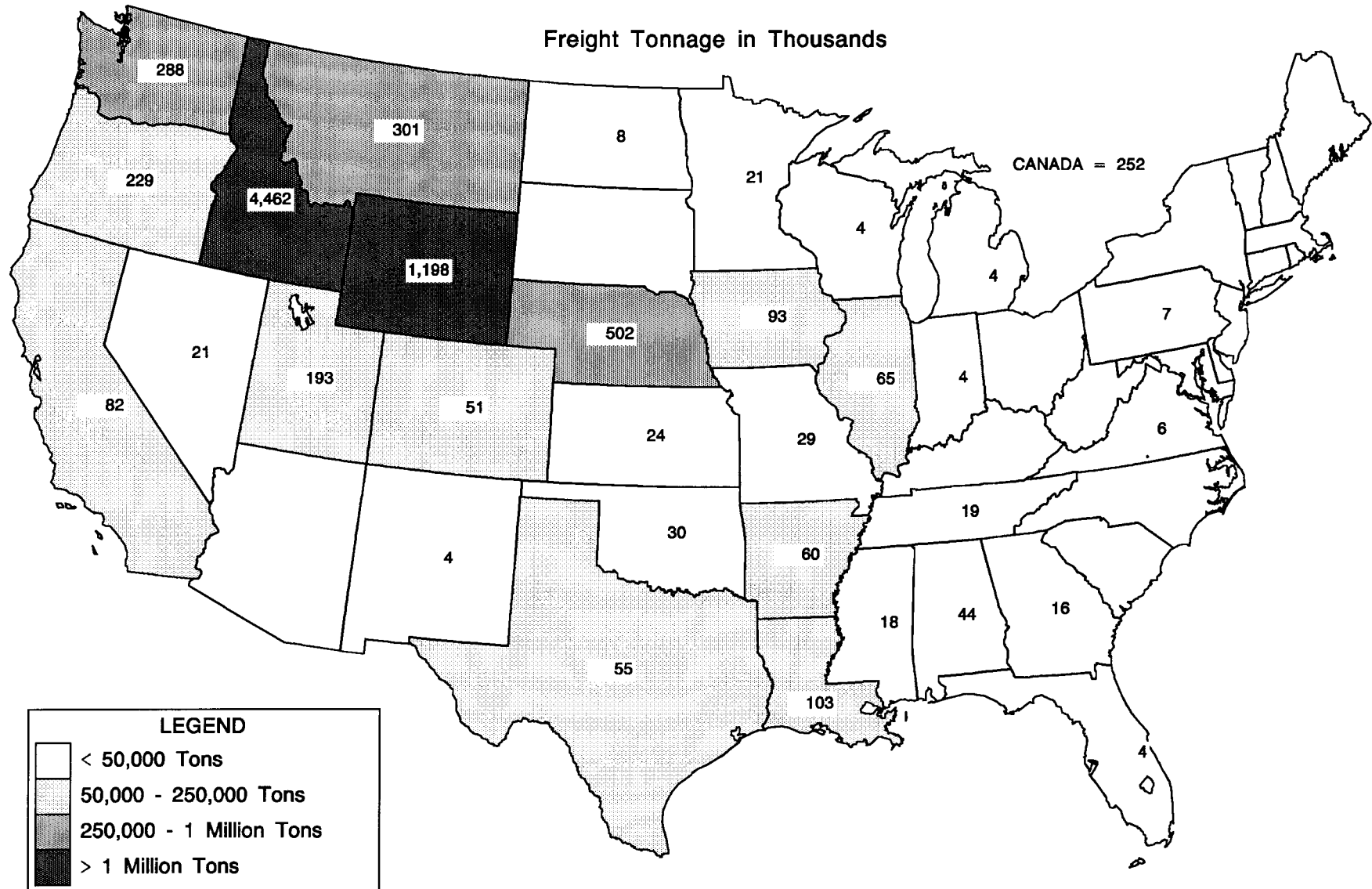
DESTINATION OF RAIL FREIGHT TONNAGE ORIGINATING IN IDAHO



DATA SOURCE: 1993 ICC Waybill Sample

Figure 2-3

ORIGINATION OF RAIL FREIGHT TONNAGE TERMINATING IN IDAHO



DATA SOURCE: 1993 ICC Waybill Sample

Figure 2-4

NONMETALLIC MINERALS; EXCEPT FUELS

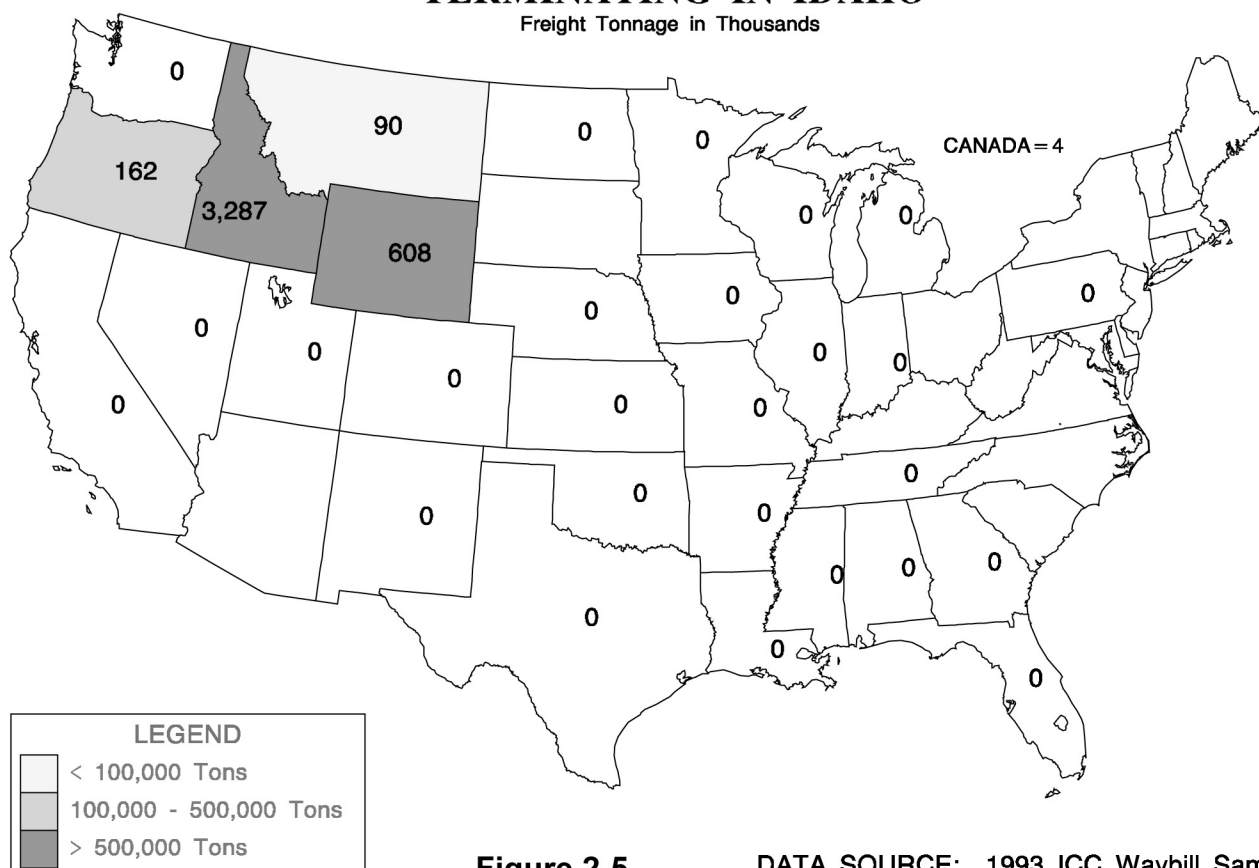
DESTINATION OF RAIL FREIGHT TONNAGE

ORIGINATING IN IDAHO



ORIGINATION OF RAIL FREIGHT TONNAGE

TERMINATING IN IDAHO



LEGEND

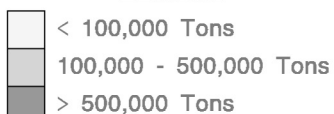


Figure 2-5

DATA SOURCE: 1993 ICC Waybill Sample